BLUMETRIC ENVIRONMENTAL INC.

Condensed Interim Consolidated Financial Statements (Unaudited)
For the third quarter and nine months ended June 30, 2026
(expressed in thousands of Canadian dollars)

About Us

BluMetric Environmental Inc. is a publicly traded environmental consulting and watertech company. We provide complete solutions to challenges such as water purification, protecting environments, and ensuring health and safety for Industrial/Commercial, Mining, Government, and Military clients.

BluMetric has approximately 370 employees operating in sixteen offices across Canada and the United States and over 50 years of expertise.

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying condensed interim consolidated financial statements of the company have been prepared by, and are the responsibility of, the company's management.

The company's independent auditor has not performed a review of these consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

HEAD OFFICE
BluMetric Environmental Inc.
1682 Woodward Dr.
Ottawa, ON K2C 3R8
Canada

BluMetric Environmental Inc.

Condensed Interim Consolidated Statements of Financial Position

As at June 30, 2026 and September 30, 2025

(in thousands of Canadian dollars) (Unaudited)

	June 30, 2026 $	September 30, 2025 $
Current assets		
Cash and cash equivalents (note 6)	1,160	2,109
Trade and other receivables (note 7)	17,721	10,513
Unbilled revenue	3,307	3,220
Contract assets	4,298	5,451
Inventory	602	277
Prepaid expenses	1,455	1,430
Due from related parties	-	616
	28,543	23,616
Non-current assets		
Property and equipment	1,156	844
Intangible assets	10,187	2,576
Goodwill (notes 4, 5, 9)	15,279	5,388
Right-of-use assets (note 8)	4,133	4,630
Investment in joint venture	49	40
Deferred income tax assets	880	-
	31,684	13,478
	60,227	37,094
Current liabilities		
Trade and other payables (note 11)	9,509	11,033
Contract liabilities	5,477	2,319
Current portion of lease liabilities (note 8)	1,742	1,446
Current portion of contingent consideration	2,318	1,910
	19,046	16,708
Non-current liabilities		
Lease liabilities (note 8)	2,917	3,554
Contingent consideration	2,837	1,090
Deferred income tax liabilities	1,673	-
	7,427	4,644
	26,473	21,352
Shareholders’ Equity		
Share capital (note 12)	29,790	10,824
Warrants (note 12)	304	63
Contributed surplus and other equity	2,192	1,551
Retained earnings	1,210	3,166
Accumulated other comprehensive income	258	138
	33,754	15,742
	60,227	37,094

Approved by the Board of Directors

“Stephan May” Director   “Scott MacFabe” Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BluMetric Environmental Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
As at June 30, 2026 and 2025

(in thousands of Canadian dollars) (Unaudited)

	Common shares #	Share capital $	Warrants $	Contributed surplus and other equity $	Retained earnings $	Accumulated other comprehensive income $	Total $
Balance – October 1, 2024	31,794,979	7,057	-	1,238	5,465	(35)	13,725
Shares issued for private placement (note 12)	5,000,000	4,000	-	-	-	-	4,000
Share offering cost (note 12)	-	(678)	63	-	-	-	(615)
Share-based compensation (note 12)	-	-	-	335	-	-	335
Exercise of stock options (note 12)	374,504	218	-	(127)	-	-	91
Net loss for the period	-	-	-	-	(133)	-	(133)
Other comprehensive loss for the period	-	-	-	-	-	(40)	(40)
Balance – June 30, 2025	37,169,483	10,597	63	1,446	5,332	(75)	17,363
Balance – October 1, 2025	37,487,080	10,824	63	1,551	3,166	138	15,742
Shares issued for brokered placement (note 12)	11,538,461	15,000	-	-	-	-	15,000
Share offering cost (note 12)		(2,862)	304	-	-	-	(2,558)
Share-based compensation (note 12)	-	-	-	727	-	-	727
Share capital issued on the acquisition of DS Consultants Ltd. (note 4)	5,245,468	6,232	-	-	-	-	6,232
Share capital issued on the acquisition of Whitteker Environmental Services Inc. (note 5)	248,576	217	-	-	-	-	217
Exercise of stock options (note 12)	574,654	379	-	(149)	-	-	230
Warrant expiry (note 12)	-	-	(63)	63	-	-	-
Net loss for the period	-	-	-	-	(1,956)	-	(1,956)
Other comprehensive income for the period	-	-	-	-	-	120	120
Balance – June 30, 2026	55,094,239	29,790	304	2,192	1,210	258	33,754

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BluMetric Environmental Inc.

Condensed Interim Consolidated Statements of Income
For the three and nine months ended June 30, 2026 and 2025

(in thousands of Canadian dollars, except per share data) (Unaudited)

	For the three months ended		For the nine months ended	
	June 30, 2026 $	**June 30, 2025 $**	**June 30, 2026 $**	**June 30, 2025 $**
Revenue (notes 17, 18)	20,920	14,671	59,488	44,564
Cost of sales (notes 14, 17)	13,128	9,458	40,417	30,433
Gross profit	7,792	5,213	19,071	14,131
Operating expenses and other items				
Selling, general and administrative (note 14)	8,628	5,608	22,004	13,740
Operating profit (loss)	(836)	(395)	(2,933)	391
Acquisition costs (notes 4, 5, 14)	113	-	499	-
Finance costs (note 14)	110	83	324	238
Other income	(1)	-	(13)	-
Earnings (loss) before income taxes	(1,058)	(478)	(3,743)	153
Income tax expense (recovery) (note 13)	(302)	(27)	(1,787)	286
Net earnings (loss) and comprehensive income (loss) for the period	(756)	(451)	(1,956)	(133)
Earnings (loss) per share				
Basic	(0.01)	(0.01)	(0.04)	(0.00)
Diluted	(0.01)	(0.01)	(0.04)	(0.00)
Weighted average number of shares outstanding (note 15)				
Basic	54,984,280	37,068,544	50,561,456	35,767,470
Diluted	58,316,670	41,451,654	54,227,953	39,990,309

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

BluMetric Environmental Inc.

Condensed Interim Consolidated Statements of Comprehensive Income
For the three and nine months ended June 30, 2026 and 2025

(in thousands of Canadian dollars, except per share data) (Unaudited)

	For the three months ended		For the nine months ended	
	June 30, 2026 $	**June 30, 2025 $**	**June 30, 2026 $**	**June 30, 2025 $**
Net income (loss) for the period	(756)	(451)	(1,956)	(133)
Other comprehensive income				
Items that may be reclassified to net income in subsequent periods:				
Exchange differences on translation of foreign operations	202	(498)	120	(40)
Other comprehensive income (loss) for the period, net of tax	202	(498)	120	(40)
Total comprehensive income (loss) for the period	**(554)**	**(949)**	**(1,836)**	**(173)**

BluMetric Environmental Inc.

Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended June 30, 2026 and 2025

(in thousands of Canadian dollars) (Unaudited)

	For the nine months ended	
	June 30, 2026	**June 30, 2025**
	$	**$**
Cash provided by (used in)		
Operating activities		
Net income (loss) for the period	(1,956)	(133)
Non-cash items		
Deferred income tax expense (recovery) (note 13)	(1,302)	94
Increase in credit loss allowance	567	230
Depreciation of property and equipment	296	137
Amortization of intangible assets	1,712	505
Amortization of right-of-use assets (note 8)	1,291	849
Accretion of lease liabilities (note 8)	248	216
Share-based compensation (note 12)	727	335
Change in working capital balances (note 16)	(59)	(596)
	1,524	1,637
Investing activities		
Acquisition of property and equipment	(206)	(246)
Acquisition of intangible assets	(33)	(281)
Business acquisitions, net of cash acquired (notes 4, 5)	(12,990)	-
Repayment of contingent consideration	(1,035)	-
	(14,264)	(527)
Financing activities		
Increase (decrease) in bank indebtedness	(16)	(3,495)
Repayment of long-term debt	-	(308)
Principal payments on leases (note 8)	(1,510)	(946)
Exercise of stock options	230	91
Due to/from related parties (note 19)	612	-
Issuance of common shares, less share issuance costs (note 12)	12,442	3,385
	11,758	(1,273)
Change in cash and cash equivalents during the period	(982)	(163)
Cash and cash equivalents – Beginning of period	2,109	3,646
Increase (decrease) due to changes in foreign exchange rates	33	(61)
Cash and cash equivalents – End of period	1,160	3,422
Supplementary information		
Interest paid	33	272
Income taxes paid	360	50

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

(in thousands of Canadian dollars, except per share data) (Unaudited)

1. Nature of operations

BluMetric Environmental Inc. (the Company) is an integrated product and service organization providing sustainable solutions to complex environmental issues in Canada, the United States and abroad. The Company serves customers in many industrial sectors, and at all levels of government, both domestically and internationally.

The Company focuses on environmental earth sciences and engineering, contaminated site remediation, water resource management, industrial hygiene, occupational health and safety, water and wastewater design-build and pre-engineered solutions.

The head office of the Company is located at 1682 Woodward Drive Ottawa, Ontario, Canada K2C 3R8. The Company's common shares are listed on the Toronto Venture Exchange under the symbol BLM and on OTCQX Markets Group under the symbol BLMWF.

2. Basis of presentation

Statement of compliance

These condensed interim consolidated financial statements have been prepared in compliance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). These condensed interim consolidated financial statements do not contain all the information and disclosures required for annual financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended September 30, 2025, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee.

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements for the year ended September 31, 2025.

Authorization of financial statements

The condensed interim financial statements were approved and authorized for issue by the Board of Directors on August 26, 2026.

Functional currency and foreign currency translation

The Company's condensed interim consolidated financial statements are presented in Canadian dollars. Balances included in the condensed interim consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The functional currency of BluMetric Environmental Inc. and DS Consultants Ltd. is the Canadian dollar, and the functional currency of Gemini Water LLC is the American dollar.

The financial statements of operations that have a functional currency different than the presentation currency of the Company are translated using the rate in effect at the consolidated statement of financial position date for assets and liabilities and the average daily exchange rates during the period for revenues and expenses.

(in thousands of Canadian dollars, except per share data) (Unaudited)

Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity under the heading of exchange differences on translation of foreign operations.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments classified at fair value through profit and loss, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Basis of consolidation

These financial statements include the financial statements of the Company and its wholly owned subsidiaries.

The subsidiaries are fully consolidated from the date of acquisition, which is the date the Company obtains control, and will continue to be consolidated until the date that this control ceases. All intercompany balances and transactions are eliminated in consolidation.

Critical accounting judgments and estimates

The preparation of these condensed interim financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of the Company's assets, liabilities, revenue, and expenses during the reporting period presented. Uncertainty inherent in these assumptions and estimates could result in a material adjustment to the carrying value of the asset or liability affected.

Estimates and underlying assumptions are reviewed on an ongoing basis and updated based on experience and new information. The significant judgments made by management when applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's September 30, 2025, annual financial statements.

Standards, amendments and interpretations adopted in the current year

At the date of authorization of these unaudited condensed interim consolidated financial statements, there were no new standards, amendments, and interpretations to existing standards that were required to be adopted by the Company.

3. Summary of significant accounting policies

The accounting policies set out in the Company's most recent annual consolidated financial statements have been applied consistently to all periods presented in these condensed interim consolidated financial statements. As such, these condensed interim consolidated financial statements should be read in conjunction with the annual financial statements and related note disclosures for the year ended September 30, 2025.

4. Acquisition of DS Consultants Ltd.

On December 10, 2025, the Company acquired all of the shares of DS Consultants Ltd. ("DS"), who were at arm's length to the Company.

(in thousands of Canadian dollars, except per share data) (Unaudited)

Cash consideration of $10,500 and 5,245,468 shares, at a fair value of $6,232, subject to a 4-month plus 1-day holding period, were issued at closing with future consideration earn-outs valued at $4,500 contingent on achievement of progressive EBITDA targets of $4,000, $5,000 and $6,000. The Company has recognized $3,000 based on the achievement of DS EBITDA targets. An additional $2,754 was calculated as a working capital adjustment, of which $1,054 is still owing as at June 20, 2026..

During the third quarter of 2026, the Company finalized certain provisional acquisition accounting balances related to the acquisition of DS Consultants Ltd. The Company recognized a deferred tax liability of $1,906 related to acquired identifiable assets, that was identified during the IFRS 3 measurement period and related to conditions that existed at the acquisition date. As a result, goodwill increased by a corresponding amount.

The acquisition was in line with the Company’s overall growth strategy which included a focus on growing and expanding its Professional Service segment in the built environment.

The purchase consideration comprised the following:

	$
Cash (including working capital and tax adjustment)	13,254
Share capital issued	6,232
Contingent consideration	3,000
Total purchase consideration	22,486

The net cash outflow of the acquisition was as follows:

	$
Consideration paid in cash	10,500
Cash balance acquired	(3)
Total cash outflow on acquisition	10,497

The Company allocated the purchase consideration as follows:

	$
Net assets acquired	13,382
Goodwill	9,104
Total purchase consideration	22,486

The fair value of acquired intangible assets includes the fair value of trademarks, customer relationships and contract backlog.

The fair value of the identifiable net assets acquired included the following:

(in thousands of Canadian dollars, except per share data) (Unaudited)

	$
Current Assets	
Cash and cash equivalents	3
Trade and other receivables	8,122
Prepaid expenses	156
Contract assets	905
	9,186
Non-Current Assets	
Property and equipment	387
Right-of-use assets	469
Customer relationships	6,500
Trademarks	1,300
Backlog	900
	9,556
Total assets acquired	18,742
Current Liabilities	
Short term loan	22
Trade and other liabilities	2,412
Contract liabilities	425
Current portion of lease liabilities	305
	3,164
Non-current liabilities	
Lease liabilities	290
Deferred tax liabilities	1,906
	2,196
Total liabilities assumed	5,360
Net assets acquired	13,382

The fair value of acquired trade receivables was $8,122. The gross contractual amount for trade receivables due was $9,518 with an allowance for ECLs (expected credit loss) of $1,396 recognized on acquisition.

Goodwill includes the assembled workforce, as well as expected synergies between the businesses.

The contingent consideration represents the discounted value of the liability.

Transaction costs of $32 and $418 for the three and nine months ended June 30, 2026 were expensed and are included in the acquisition costs in the consolidated financial statements in the consolidated statements of income (loss).

For the post-acquisition period, DS contributed revenue of $5,732 and $11,111 to the Company's consolidated results for the three and nine months ended June 30, 2026 respectively (net income contribution of $283 and

(in thousands of Canadian dollars, except per share data) (Unaudited)

$61, respectively) Had the acquisition occurred on October 1, 2025, management estimates that the Company's consolidated revenue would have increased by an additional $4,204 and net income would have increased by an additional $494 for the nine months ended June 30, 2026.

5. Acquisition of Whitteker Environmental Services Inc.

On April 1, 2026, the Company acquired all of the shares of Whitteker Environmental Services Inc. ("Whitteker"), who was at arm's length to the Company.

Cash consideration of $800 and 248,576 shares, at a fair value of $217, subject to a 4-month plus 1-day holding period, were issued at closing with future consideration earn-outs valued at $200 contingent on Whitteker's revenue for the 12 months following acquisition being greater than or equal to revenue for the 12 months prior to acquisition. The Company has recognized $190 based on the achievement of Whitteker revenue targets. An additional $20 was calculated as a working capital adjustment.

The acquisition was in line with the Company's overall growth strategy which included a focus on growing and expanding its Professional Service segment with less seasonably impacted operations.

The purchase consideration comprised the following:

	$
Cash (including working capital and tax adjustment)	800
Share capital issued	217
Contingent consideration	190
Working capital adjustment	(20)
Total purchase consideration	1,187

The net cash outflow of the acquisition was as follows:

	$
Consideration paid in cash	800
Cash balance acquired	(7)
Total cash outflow on acquisition	793

(in thousands of Canadian dollars, except per share data) (Unaudited)

The Company allocated the purchase consideration as follows:

	$
Net assets acquired	514
Goodwill	673
Total purchase consideration	1,187

The fair value of acquired intangible assets includes the fair value of customer relationships and contract backlog.

The fair value of the identifiable net assets acquired included the following:

	$
Current Assets	
Cash and cash equivalents	7
Trade and other receivables	47
	54
Non-Current Assets	
Property and equipment	11
Customer relationships	500
Backlog	200
	711
Total assets acquired	765
Current Liabilities	
Trade and other liabilities	65
Non-current liabilities	
Deferred tax liabilities	186
Total liabilities assumed	251
Net assets acquired	514

The fair value and gross contractual amount of acquired trade receivables due was $47 with no allowance for ECLs recognized on acquisition.

Goodwill includes the assembled workforce, as well as expected synergies between the businesses.

The contingent consideration represents the discounted value of the liability.

(in thousands of Canadian dollars, except per share data) (Unaudited)

Transaction costs of $81 for the three and nine months ended June 30, 2026 were expensed and are included in the acquisition costs in the consolidated financial statements in the consolidated statements of income (loss).

For the post-acquisition period, Whitteker contributed revenue of $242 to the Company's consolidated results for the three and nine months ended June 30, 2026 (net income contribution of $69). Had the acquisition occurred on October 1, 2025, management estimates that the Company's proforma consolidated revenue would have increased by an additional $478 and the net income would have increased by an additional $124 for the nine months ended June 30, 2026.

6. Cash and cash equivalents

	June 30, 2026 $	September 30, 2025 $
Cash	1,160	1,591
Short-term investments	-	518
	1,160	2,109

7. Trade and other receivables

	June 30, 2026 $	September 30, 2025 $
Trade and other receivables	20,235	11,225
Credit loss allowance – accounts receivable	(2,514)	(712)
	17,721	10,513

(in thousands of Canadian dollars, except per share data) (Unaudited)

8. Right-of-use assets and lease liabilities

Information about leases for which the Company is a lessee are presented below:

Right-of-use assets

	For the nine months ended June 30, 2026				For the nine months ended June 30, 2025			
	Office	Vehicles	Equipment	Total	Office	Vehicles	Equipment	Total
	$	$	$	$	$	$	$	$
Balance – Beginning of period	4,519	67	44	4,630	3,761	49	63	3,873
Additions	-	50	19	69	1,983	42	-	2,025
Additions on acquisition	469	-	-	469	-	-	-	-
Lease renewals, reassessments and modifications	251	-	-	251	-	-	-	-
Amortization	(1,253)	(26)	(12)	(1,291)	(817)	(17)	(15)	(849)
Impact of foreign exchange	3	2	-	5	(42)	-	-	(42)
Balance – End of period	3,989	93	51	4,133	4,885	74	48	5,007

(in thousands of Canadian dollars, except per share data) (Unaudited)

Lease Liabilities

	For the nine months ended June 30, 2026				For the nine months ended June 30, 2025			
	Office	**Vehicles**	**Equipment**	**Total**	**Office**	**Vehicles**	**Equipment**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Balance – Beginning of period	4,882	68	50	5,000	3,985	49	68	4,102
Additions	-	50	19	69	1,983	42	-	2,025
Additions on acquisition	596	-	-	596	-	-	-	-
Lease renewals, reassessments and modifications	251	-	-	251	-	-	-	-
Interest expense on lease liabilities	241	4	3	248	210	2	4	216
Payments	(1,466)	(29)	(15)	(1,510)	(909)	(18)	(19)	(946)
Impact of foreign exchange	3	-	2	5	(43)	-	-	(43)
Balance – End of period	4,507	93	59	4,659	5,226	75	53	5,354
Current portion of lease liabilities				(1,742)				(1,424)
Non-current portion of lease liabilities				2,917				3,930

(in thousands of Canadian dollars, except per share data) (Unaudited)

As at June 30, 2026, lease liabilities were discounted using the Company's incremental borrowing rate at the lease commencement date for each lease and had weighted-average rates ranging from 2% to 12.10% (September 30, 2025: 2.99% to 8.45%).

The Company leases buildings for its office spaces across Canada and the United States. Lease terms range from one to ten years. To provide operational flexibility, the Company seeks to include extension or termination options in its leases. At the commencement of a lease, the Company assesses whether it is reasonably certain it will exercise the lease extension option (or not exercise a termination option). The Company reassesses this when a significant event or significant change in circumstances within the Company's control has occurred.

The Company leases vehicle and equipment with terms of three to five years. These leases do not usually contain extension options, purchase options, or residual value guarantees. The Company also leases IT equipment and other equipment with terms of one to five years. These leases are generally short-term or for low-value assets that the Company has elected not to recognize in right-of-use assets and lease liabilities.

	For the three months ended		For the nine months ended	
Amounts recognized in selling, general and administrative	**June 30, 2026 $**	**June 30, 2025 $**	**June 30, 2026 $**	**June 30, 2025 $**
Rent expense – variable lease payments	46	10	108	38
Expense related to short-term leases	18	19	35	104
Expense related to low-value assets	14	20	47	64
Income from subleases	(2)	(1)	(5)	(5)
	76	48	185	201

9. Goodwill

The change in carrying value is as follows:

	$
Balance as at September 30, 2025	5,388
Acquisition of DS Consultants Ltd. (note 4)	9,104
Acquisition of Whitteker Environmental Services Inc. (note 5)	673
Impact of foreign exchange	114
Balance as at June 30, 2026	15,279

(in thousands of Canadian dollars, except per share data) (Unaudited)

10. Credit facilities

The Company has a $4,000 (September 30, 2025 - $4,000) operating demand loan available to it as a shared limit between its overdraft facility and letters of credit. The Company has a maximum limit of $500 for the issuance of letters of credit.

As at June 30, 2026, the Company had drawn $nil on its operating demand loan and $nil in letters of credit (September 30, 2025 – $nil and $nil, respectively).

11. Trade and other payables

	June 30, 2026 $	September 30, 2025 $
Trade payables	5,718	8,511
Salaries and benefits payable	1,275	865
Other accrued liabilities and payables	2,516	1,657
	9,509	11,033

12. Shareholders' equity

Share capital

On December 13, 2024, the Company issued by way of a brokered private placement and concurrent non-brokered private placement 5,000,000 common shares with gross proceeds of $4,000, cash expenditures of $615, inclusive of $211 related to compensation of key management for services provided, for net proceeds of $3,385. Cash commission in the amount of $210 and 262,500 broker warrants were issued to the Agent who brokered the private placement. Each broker warrant entitles the holder to acquire one common share of the Company at a price of $0.80 exercisable as of December 13, 2024 and expired on June 13, 2026. Finder's fees in the amount of $20 were paid on the non-brokered private placement.

On December 9, 2025, the Company issued by way of a brokered offering 11,538,461 common shares with gross proceeds of $15,000, cash expenditures of $2,558, inclusive of $1,287 related to compensation of key management for services provided, for net proceeds of $12,442. Cash commission in the amount of $900 and 692,307 broker warrants were issued to the Agent who brokered the private placement. Each broker warrant entitles the holder to acquire one common share of the Company at a price of $1.30 exercisable as of December 9, 2025 and expiring on June 9, 2027.

(in thousands of Canadian dollars, except per share data) (Unaudited)

Warrants

As part of the December 13, 2024 private placement, the Company issued 262,500 warrants to the Agent for a fair value of $63. Each Warrant was exercisable to acquire one common share at $0.80 for a period of 18 months and expired on June 13, 2026. Management estimated the fair value of these warrants using the Black Scholes option model with the following inputs:

Number of warrants issued	262,500
Exercise price	$0.80
Share price	$0.78
Expected life	18 months
Dividend	-
Volatility	63.31%
Risk free rate	2.99%
Estimated forfeiture rate	13.76%
Fair value per warrant	$0.24

During the quarter, 262,500 broker warrants expired unexercised. The warrants were exercisable at $0.80 per common share and carried an initial fair value of $63. Upon expiry, the related balance in the warrant reserve was transferred to contributed surplus.

As part of the December 9, 2025 private placement, the Company issued 692,307 warrants to the Agent for a fair value of $304. Each Warrant is exercisable to acquire one common share at $1.30 for a period of 18 months (expiring on June 9, 2027). Management estimated the fair value of these warrants using the Black Scholes option model with the following inputs:

Number of warrants issued	692,307
Exercise price	$1.30
Share price	$1.30
Expected life	18 months
Dividend	-
Volatility	68.32%
Risk free rate	2.67%
Estimated forfeiture rate	12.01%
Fair value per warrant	$0.44

(in thousands of Canadian dollars, except per share data) (Unaudited)

	2026 For the nine months ended		2025 For the nine months ended	
	Number of warrants #	Weighted average exercise price $	Number of warrants #	Weighted average exercise price $
Outstanding – Beginning of year	262,500	0.80	-	-
Issued	692,307	1.30	262,500	0.80
Expired	(262,500)	0.80	-	-
Outstanding – End of period	695,307	1.30	262,500	0.80

Share options

Activity in the share option plan is summarized as follows:

	2026 For the nine months ended		2025 For the nine months ended	
	Number of options #	Weighted average exercise price $	Number of options #	Weighted average exercise price $
Outstanding – Beginning of year	4,755,030	0.72	4,163,130	0.40
Granted	1,873,975	1.06	1,242,000	1.38
Exercised/Released	(574,654)	0.40	(544,858)	0.36
Cancelled/Forfeited	(84,678)	1.16	(32,333)	0.83
Outstanding – End of period	5,969,673	0.85	4,827,939	0.66
Exercisable – End of period	2,621,033	0.60	1,465,677	0.38

(in thousands of Canadian dollars, except per share data) (Unaudited)

Information about share options outstanding as at June 30, 2026 is as follows:

	Options outstanding			Options exercisable		
Grant price range	**Quantity**	**Weighted average remaining contractual life**	**Weighted average exercise price $**	**Quantity**	**Weighted average remaining contractual life**	**Weighted average exercise price $**
0.30 – 0.40	1,776,698	3.34	0.35	1,628,700	3.44	0.36
0.41 – 0.50	741,500	4.71	0.49	417,333	4.58	0.48
0.51 – 0.60	75,000	5.23	0.60	-	-	-
0.61 – 0.99	1,448,000	6.59	0.86	185,000	5.66	0.99
1.00 – 1.56	1,928,475	6.22	1.45	390,000	5.91	1.56
	5,969,673	5.25	0.85	2,621,033	4.14	0.60

Information about share options outstanding as at June 30, 2025 is as follows:

	Options outstanding			Options exercisable		
Grant price range	**Quantity**	**Weighted average remaining contractual life**	**Weighted average exercise price $**	**Quantity**	**Weighted average remaining contractual life**	**Weighted average exercise price $**
0.30 – 0.40	2,566,939	4.25	0.36	1,272,677	4.16	0.35
0.41 – 0.50	803,000	5.72	0.49	103,000	4.90	0.47
0.51 – 0.60	240,000	4.54	0.60	90,000	1.73	0.60
0.61 – 0.99	378,000	6.66	0.99	-	-	-
1.00 – 1.56	840,000	6.91	1.56	-	-	-
	4,827,939	5.16	0.65	1,465,677	4.06	0.38

(in thousands of Canadian dollars, except per share data) (Unaudited)

Share-based compensation

The fair value of options vested is recognized as compensation cost and is recorded in selling, general and administrative expenses.

During the period ended June 30, 2026, the Company issued 1,873,975 (2025 – 1,242,000) options to purchase common shares. The weighted average exercise price of the options is $1.06 (2025 – $1.38).

The weighted average fair value of options granted was estimated on the date of grant using the Black-Scholes option pricing model. The historical share price of the Company’s common shares is used to estimate expected volatility, and government bond rates are used to estimate the risk-free interest rate.

During the three and nine months ended June 30, 2026, the Company recognized $274 and $727 (2025 – $146 and $335) in share-based compensation expense and 196,613 and 574,654 stock options were exercised (2025 – 155,490 and 544,858) with a weighted average exercise price of $0.40 and $0.40 (2025 - $0.40 and $0.36). The shares were exercised for total proceeds of $78 and $230 (2025 – $51 and $91).

13. Income tax

The following shows the components of income tax expense:

	For the three months ended		For the nine months ended	
	June 30, 2026 $	June 30, 2025 $	June 30, 2026 $	June 30, 2025 $
Current tax expense (recovery)	55	(378)	(485)	192
Deferred tax expense (recovery)	(357)	351	(1,302)	94
	(302)	(27)	(1,787)	286

(in thousands of Canadian dollars, except per share data) (Unaudited)

14. Other expense items by nature

	For the three months ended		For the nine months ended	
	June 30, 2026 $	June 30, 2025 $	June 30, 2026 $	June 30, 2025 $
Cost of Sales				
Personnel	4,652	2,748	12,240	8,664
Direct project expenses	8,476	6,710	28,177	21,769
	13,128	9,458	40,417	30,433
Selling, general and administrative				
Personnel	4,872	3,453	12,819	8,383
Depreciation	111	43	296	137
Amortization	1,509	512	3,003	1,352
Acquisition costs	113	-	499	-
Professional fees	365	369	999	717
Insurance	343	178	939	547
Other operating expense	1,428	1,053	3,948	2,604
	8,741	5,608	22,503	13,740
Reported as:				
Cost of sales	13,128	9,458	40,417	30,433
Selling, general and administrative	8,628	5,608	22,004	13,740
Acquisition costs	113	-	499	-
	21,869	15,066	62,920	44,173
Finance costs				
Interest on leases	79	87	248	215
Interest on term and bank loans	-	1	-	55
Bank charges	8	11	24	25
Other finance charges (income)	23	(16)	52	(57)
	110	83	324	238

(in thousands of Canadian dollars, except per share data) (Unaudited)

15. Weighted average shares outstanding

	For the three months ended		For the nine months ended	
	June 30, 2026 $	**June 30, 2025 $**	**June 30, 2026 $**	**June 30, 2025 $**
Issued common shares	55,094,239	37,169,483	55,094,239	37,169,483
Weighted average number of basic common shares	54,984,280	37,068,544	50,561,456	35,767,470
Effect of share options on issuance	3,121,812	4,120,610	3,421,304	4,030,530
Effect of warrants on issuance	210,578	262,500	245,193	192,308
Weighted average number of diluted common shares	58,316,670	41,451,654	54,227,953	39,990,309

Options that were anti-dilutive are not included in the computation of diluted common shares. For the three and nine months ended June 30, 2026, 2,324,524 and 1,617,297 options and 692,307 and 517,328 warrants were excluded from the calculation because they were anti-dilutive (2025 – 313,846 and 104,615 options and nil and nil warrants were excluded).

16. Changes in working capital

	June 30, 2026 $	**June 30, 2025 $**
Trade and other receivables	(10)	2,074
Unbilled revenue	640	565
Contract assets	1,368	1,195
Inventory	(315)	(168)
Prepaid expenses	133	279
Trade and other payables	(4,573)	(1,444)
Contract liabilities	2,698	(3,019)
Impact of foreign exchange		(78)
	(59)	(596)

(in thousands of Canadian dollars, except per share data) (Unaudited)

17. Segmented disclosure

The Company has two financial reporting segments: i) environmental earth sciences and engineering, contaminated site remediation, water resource management, materials inspection and testing, geotechnical engineering, industrial hygiene, occupational health and safety (collectively, "Professional Services") and ii) water and wastewater design-build and pre-engineered solutions (collectively, "WaterTech").

The chief operating decision maker is (collectively) the Chief Executive Officer, the Chief Financial Officer and the Board of Directors. Performance is evaluated by the chief operating decision maker based on earnings before administrative expenses.

The following is a measure of profit or loss for each reportable segment as used by the chief operating decision maker.

			For the three months ended June 30, 2026
	Professional Services $	**WaterTech $**	**Total $**
Revenue	10,914	10,006	20,920
Cost of goods sold	6,441	6,687	13,128
Gross profit	4,473	3,319	7,792
Selling and general expenses	2,605	1,004	3,609
Earnings before administrative costs and other items listed below (EBAC)	1,868	2,315	4,183
Administrative expenses			3,399
Depreciation			111
Amortization			1,509
Acquisition costs			113
Interest expense			79
Finance costs			31
Other Income			(1)
Loss before income taxes			(1,058)
Income tax expense			(302)
Net loss			**(756)**

(in thousands of Canadian dollars, except per share data) (Unaudited)

			For the three months ended June 30, 2025
	Professional Services $	**WaterTech $**	**Total $**
Revenue	4,903	9,768	14,671
Cost of goods sold	2,812	6,646	9,458
Gross profit	2,091	3,122	5,213
Selling and general expenses	1,899	599	2,498
Earnings before administrative costs and other items listed below (EBAC)	192	2,523	2,715
Administrative expenses			2,555
Depreciation			43
Amortization			512
Interest expense			88
Finance costs			(5)
Earnings (loss) before income taxes			(478)
Income tax expense (recovery)			(27)
Net loss			**(451)**

(in thousands of Canadian dollars, except per share data) (Unaudited)

			For the nine months ended June 30, 2026
	Professional Services $	WaterTech $	Total $
Revenue	27,275	32,213	59,488
Cost of goods sold	16,484	23,933	40,417
Gross profit	10,791	8,280	19,071
Selling and general expenses	6,559	2,671	9,230
Earnings before administrative costs and other items listed below (EBAC)	4,232	5,609	9,841
Administrative expenses			9,475
Depreciation			296
Amortization			3,003
Acquisition costs			499
Interest expense			248
Finance costs			76
Other Income			(13)
Earnings (loss) before income taxes			(3,743)
Income tax expense (recovery)			(1,787)
Net earnings (loss)			**(1,956)**

(in thousands of Canadian dollars, except per share data) (Unaudited)

			For the nine months ended June 30, 2025
	Professional Services $	**WaterTech $**	**Total $**
Revenue	14,880	29,684	44,564
Cost of goods sold	8,929	21,504	30,433
Gross profit	5,951	8,180	14,131
Selling and general expenses	4,421	1,225	5,646
Earnings before administrative costs and other items listed below (EBAC)	1,530	6,955	8,485
Administrative expenses			6,603
Depreciation			137
Amortization			1,354
Acquisition costs			-
Interest expense			217
Finance costs			21
Earnings before income taxes			153
Income tax expense			286
Net earnings (loss)			**(133)**

(in thousands of Canadian dollars, except per share data) (Unaudited)

Geographical information

The Company operates principally in Canada (country of domicile). Sales reported by customer location based on origin of purchase (i.e., country of domicile of contracting party) are as follows:

	For the three months ended		For the nine months ended	
	June 30, 2026 $	June 30, 2025 $	June 30, 2026 $	June 30, 2025 $
Canada	13,012	8,214	40,918	23,128
Caribbean countries	4,307	2,525	9,676	5,513
U.S.	1,683	1,052	6,027	1,560
St. Kitts	1,606	2,523	2,167	13,695
Other countries	312	357	700	668
	20,920	14,671	59,488	44,564

For the nine months ended June 30, 2026, approximately 24% of revenue (2025 – 43%) was derived from two (2025 – two) customers. The customers referenced below are not necessarily the same customers in both periods.

	For the nine months ended	
	June 30, 2026	June 30, 2025
Customer 1	15%	30%
Customer 2	9%	13%

The Company holds non-current assets in Canada and the United States. Non-current assets held by geographic areas are as follows:

	June 30, 2026 $	September 30, 2025 $
Canada	25,641	5,722
United States	6,043	7,756
	31,684	13,478

Non-current assets consist of property and equipment, lease assets, goodwill, intangible assets and an investment in a joint venture. Geographic information is attributed to countries based on the location of the assets.

(in thousands of Canadian dollars, except per share data) (Unaudited)

18. Revenue

Disaggregation of revenue

Revenue is disaggregated by customer sector and contract type, since it best depicts how the nature, timing and uncertainty of revenue and cash flows are affected by economic factors.

Revenue from contracts with customers is disaggregated as follows:

	For the three months ended		
	June 30, 2026 $		
	Fixed price $	**Time and materials $**	**Total $**
Commercial and industrial	8,402	7,806	**16,208**
Government	680	1,041	**1,721**
Military	974	580	**1,554**
Mining	531	906	**1,437**
	10,587	10,333	**20,920**

	June 30, 2025 $		
	Fixed price $	**Time and materials $**	**Total $**
Commercial and industrial	6,561	2,453	**9,014**
Government	706	1,120	**1,826**
Military	1,163	1,785	**2,948**
Mining	104	779	**883**
	8,534	6,137	**14,671**

(in thousands of Canadian dollars, except per share data) (Unaudited)

	For the nine months ended		
			June 30, 2026 $
	Fixed price $	Time and materials $	Total $
Commercial and industrial	20,463	15,723	**36,186**
Government	2,561	3,351	**5,912**
Military	9,485	3,046	**12,531**
Mining	1,327	3,532	**4,859**
	33,836	25,652	**59,488**
			June 30, 2025 $
	Fixed price $	Time and materials $	Total $
Commercial and industrial	21,387	6,958	**28,345**
Government	1,886	3,614	**5,500**
Military	2,047	5,502	**7,549**
Mining	477	2,693	**3,170**
	25,797	18,767	**44,564**

Revenue from the vast majority of the Company's contracts is recognized over time because of the continuous transfer of control to the customer. For the nine months ended June 30, 2026, $5,294 or 9% (2025 – $2,601 or 6%) was recognized at a point in time, which primarily related to WaterTech segment customers.

(in thousands of Canadian dollars, except per share data) (Unaudited)

Contract Balance

The following table provides information about trade receivables, unbilled revenue, contract assets and contract liabilities related to contracts with customers:

	June 30 2026 $	September 30 2025 $
Trade receivables	17,721	10,513
Unbilled revenue	3,307	3,220
Contract assets	4,298	5,451
Contract liabilities	(5,477)	(2,319)
	19,849	16,865

Revenue recognized in the nine months ended June 30, 2026, and included in contract liabilities as at September 30, 2025 was $2,305, and $5,427 was added to contract liabilities during the three months ended June 30, 2026 (2025 - $5,832 and $2,598).

19. Related party transactions

As at September 30, 2025, the Company had an amount owing from the vendor of Gemini Water of $616. During the nine months ended June 30, 2026 the balance was fully settled. No amount was outstanding as at June 30, 2026.

The amount was unsecured, non-interest bearing, and did not have fixed repayment terms. No impairment loss has been recognized in respect of this receivable, as the amount was expected to be fully recoverable.

Compensation of key management personnel

The remuneration of key management personnel, including the Executive Management team and Board of Directors, during the period was as follows:

	For the three months ended		For the nine months ended	
	June 30, 2026 $	June 30, 2025 $	June 30, 2026 $	June 30, 2025 $
Salaries	662	607	3,192	1,668
Short-term benefits	42	55	176	170
Share-based compensation	119	82	315	187
	823	744	3,683	2,025

(in thousands of Canadian dollars, except per share data) (Unaudited)

20. Liquidity risk

Liquidity risk is the risk the Company may not be able to meet its financial obligations as they come due. The Company currently settles all of its financial obligations out of cash and its operating demand loan facility. The ability to do so relies on the Company collecting its accounts receivable in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company has a working capital of $9,497 (September 30, 2025 - $6,908).

As at June 30, 2026, the Company had the following balances available on its credit facilities: operating demand loan – $4,000 (September 30, 2025 – $4,000).

As at June 30, 2026, the Company had approximately $5,160 (September 30, 2025 - $6,109) in availability between its operating line and cash balances.

21. Subsequent Events

On July 17, 2026, the Company signed a long-term lease agreement for the expansion of its office and operating facilities in Gainesville, Florida. The lease has a seven-year term commencing on October 1, 2026, with annual lease payments of approximately $588,000, subject to customary adjustments and operating cost recoveries. This lease will replace the Company’s existing Gainesville facility lease.

As the agreement was executed subsequent to June 30, 2026, no amounts have been recognized in these condensed interim consolidated financial statements. The lease will be accounted for in accordance with IFRS 16 commencing on the lease commencement date.